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San Antonio, Texas 78288

May 21, 2010

Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: GC Docket No. 02-278

Dear Commissioners,

On behalf of USAA, thank you for the opportunity to comment on your recent proposal to revise the Telephone Consumer Protection Act (TCPA) rules. USAA is a diversified financial services company whose mission is to facilitate the financial security of its members, including former and active duty military personnel and their families. USAA is a membership association, owned by its members and is well-known for its exceptional service and customer advocacy.<sup>1</sup> Our strategy is to build lifelong relationships with our members and to provide highly-competitive, integrated financial solutions and exceptional experiences.

Military families move often, and many rely solely on cell phones to stay in contact with us. Eighty percent (80%) of active duty members have provided us a cell phone number; more than 25 percent of them have provided the cell number as their home phone number. Compared to other customers, active duty members are 58 percent more likely to provide us a cell phone number and more than twice as likely to provide us with a cell phone in place of a home phone number. Contacting our members by telephone, including cell phones, using an automated dialer, professionally recorded messages, and text messages is critical to our ability to serve these men and women in the military.

We urge the Commission to retain its existing guidance that provision of a phone number in connection with obtaining a product or service is express consent to be contacted at that number.

Consumers Expect Financial Service Providers to Offer Solutions

Financial services involve ongoing relationships that make it difficult to draw a clear distinction between marketing and service calls. For example,

- An account review of insurance may uncover that a customer is over-insured or under-insured or that the current deductible no longer meets the member's needs.
- A term life insurance product may have a limited-time option to convert to permanent life insurance on favorable terms that the customer may not have considered in several years.
- A financial plan may need to be reevaluated based on changes in income, children's college plans, or changes in risk tolerance or market conditions.

- An investment portfolio may also need to be revisited due to life changes or market changes.
- A flood insurance payment may be missed because the consumer no longer wants the coverage, consumer oversight, or due to an error by the company managing the escrow payments under the mortgage. If flood insurance lapses, it cannot be reinstated for 30 days, resulting in a gap in coverage that could have a severe financial impact in the event of flooding.

While calls to consumers highlighting these issues may result in the purchase of different or additional financial products, consumers consider these calls part of servicing their financial accounts. A majority of USAA's members surveyed in 2007 said it would be acceptable for USAA to call them to review their current accounts to determine if changes should be made that would benefit them, or to let them know if there is another USAA product that could better meet their needs.

#### Teleservicing Calls are Appreciated by Consumers

USAA carefully selects and scripts calling campaigns so members will perceive them as a valuable service. As a result, our members appreciate receiving these calls and often expressly thank us for proactively contacting them. An analysis of 157,000 outbound teleservicing calls made this year for which speech recognition was available revealed that in at least 29,000 of these calls, the called party expressly thanked us during the call. This sample included only calls made by our financial solutions group, and they typically include both a servicing and marketing component. Typical comments captured were, "Glad you called," "Appreciate the call," and "Thank you for calling me."<sup>2</sup>

In addition, our customers have posted numerous comments on the internet expressing their gratitude for the outbound calls they receive from us.<sup>3</sup> A common theme in these customer postings is appreciation that the calls were made so quickly -- an efficiency that would be difficult to obtain without the use of automation such as autodialers and recorded messages.

In general, we get very few complaints or requests to be placed on our Do Not Call list. Less than one percent of members receiving an autodialed teleservicing call ask to be placed on our company Do Not Call list, even though 75 percent of our customers report having their numbers on the national Do Not Call list. In fact, several of our call campaigns in 2010 have a **zero** percent Do Not Call rate from the thousands of calls made. These zero percent campaigns include return mail follow-ups, calls to prevent life insurance lapse for non-payment, and follow-up calls on incomplete life insurance applications.

#### Benefits of Autodialed Calls and Recorded Messages

In its related rulemaking, the Federal Trade Commission (FTC) was focused on preventing abusive practices of "robocalls" left by unscrupulous parties that did not have an ongoing account-based relationship with their customers. Some of the abusive practices mentioned by the FTC included: leaving multiple messages in the same day; messages that were lengthy and used

up an answering machine tape; an annoying robotic voice; and autodialers that did not allow the called party to disconnect. USAA does not engage in such practices, and we are unaware that the FCC has received similar complaints regarding the financial services industry.

Furthermore, the customer experience is the same whether USAA manually places a call or uses the autodialer. The recorded messages are short, usually to request the called party to return the call or informing them of a specific event. The messages are professionally recorded in a natural voice, using the same voice that customers hear when calling into USAA. Our customers are likely to recognize this familiar voice and feel comfortable that the call is indeed from USAA. Over two-thirds of customers surveyed in 2007 indicated they approved of USAA leaving a recorded message on their answering machine or voicemail.

Moreover, USAA recognizes both cost-savings and improved control and compliance through use of an autodialer. By using a recorded message, we are assured that all legal disclosures have been accurately made in a clear, easy-to-understand voice. Financial services are highly-regulated, and similar to HIPAA-regulated entities that would be exempted from the recorded messages restriction to residential lines in this Notice, do not pose the same risk of abuse as the range of entities governed by the FTC regulation.

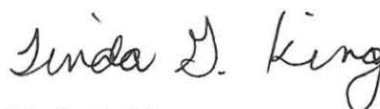
Request FCC Retain Existing Guidance

As the Commission pointed out in its Notice of Proposed Rulemaking, "requiring actual consent to prerecorded message calls where established business relationships exist *could significantly impede communications between businesses and their customers*" and could be at odds with Congress's desire not to unduly interfere with ongoing business relationships.<sup>4</sup> The attached customer internet posts clearly demonstrate how important these automated calls are to the relationship with our customers. Based on (i) consumers' expressed appreciation made during the financial advice calls, (ii) our 2007 survey results, (iii) the low complaint rate and (iv) the low rate of do not call requests it is clear that consumers do not consider these calls to be intrusive or annoying-- to the contrary, the calls are greatly appreciated.

We respectfully request the FCC retain its existing guidance that provision of a cell phone or other number in connection with obtaining or servicing a product constitutes express permission to receive calls at that number.

Should you have any questions about these comments, please do not hesitate to contact me. We appreciate the FCC's consideration of USAA's concerns.

Sincerely,

A handwritten signature in black ink that reads "Linda G. King". The signature is written in a cursive, flowing style.

Linda G. King  
Vice President, Executive Attorney

#### Endnotes

1. *MSN Money* Ranked USAA as the No.1 company on its list of Customer Service Hall of Fame (2009). For the past four years, *BusinessWeek* magazine ranked USAA among the top two "Customer Service Champs," highlighting our legendary customer service. USAA was a top-ranked company by consumers for Customer Advocacy, according to Forrester Research Inc. in its "Customer Advocacy 2009: How Customers Rate U.S. Banks, Investment Firms, and Insurers" (May 2009).
2. Typical calls made by this call center include calls to consumers with low investment account balances; with high balances in a money market account; whose conversion rights under a term life insurance are close to expiring; and to conduct or schedule financial reviews.
3. See attached list of sample comments recently posted on the internet by customers that describe their appreciation for the outbound calls made to them by USAA.
4. FCC Notice of Proposed Rulemaking, GC Docket No. 02-278 at paragraph 30.

## **Sample Internet Posts Related to USAA Outbound Calls April, 2009- March, 2010**

### **Insurance Calls**

"Love USAA. USAA is the best!!! When we were stationed in Florida and had to deal with a Hurricane... they called us and asked if we needed money just to buy food, this was before we even saw what happened to our home. Love you USAA, and I hope you continue serving those who serve this country."

"Got a call saying that they found a way to make my insurance (with the same coverage) cheaper, and then they wrote me a check for all the money I should have saved in the first 6 months! After that I knew they were a company to trust."

"Overall Performance. I have been with USAA for 54 years, with the exception of two years I used another company... When I had damage to my house during Hurricane Ike, even though I did not have storm damage coverage, they called me within two or three days, and immediately sent me a check for all of the food that I lost due to lack of electrical service, and I didn't realize that I was even covered for that... Thanks!!! If I could give them 10 stars, I would!! There are so many good things I could say if I had time & space."

### **Bank Service Calls**

"Good Catch. I set up a payment and USAA caught my date oversight and called me to see if I had mistakenly selected the wrong date! They kept me from going past due and saved me from having a huge headache! Thanks!!!!!"

"USAA is the BEST!!! For instance being in the military we are often moving or traveling to see family. I once received a call from USAA about a payment that was coming due while we were away. I had forgotten to move money over from one of our accounts. The call I received was in regards to this and they asked me if I would like them to move the money over so that I would not incur a late fee. Now I ask you how many banks do you know that would go out of there way to make sure a late fee was not charged. This is one of many reasons why we entrust USAA with all of our business."

"The Gift. Thank you for calling me to find out how I was doing during this Holiday Season. USAA has always worked with me on any questions or issues with my accounts. The people who have assisted me over the years have been so patient and kind. I've never known any other institution to be so helpful. This year in particular was truly a gift from heaven. You lowered my interest rate on my equity loan and reduced my payments significantly. Thank you for always being there for your members and going beyond my expectations. You have given me breathing room again. Thank you and God bless you all! Happy Thanksgiving."

"USAA has to be the best.... I used other banks before joining the military. None compare to the customer service and benefits USAA provides, not even close. To give you an idea of how satisfied I am I'll leave you with this: I never write good reviews. Ever. I only write bad reviews for companies that didn't resolve my issue(s) to get them back for how they treated me. Until now. I have actually taken the time to write something in hopes that someone reads this and understands how pleased I am. I mean, get this... they called me up the other day to see if I needed any help with my home buying (I'm trying to buy a house)...now that's service. USAA must immediately filter out poor customer service reps because I've

never once talked with an unhelpful and/or unpleasant person on the phone. Keep up the good work guys."

"When I deployed last year they called & talked to my wife & let her know they were there if she needed any assistance from them financially. Just a good place to bank/insurance."

### **Financial Solutions**

"I would never leave USAA for anything because I know they are truly about their members. Every representative I have ever talked to in the 7 years I have been with them has always given excellent service, beyond my expectations. They share information with you rather than sell products or services to you. Today I received a call from one of the representatives who assisted me with figuring out my finances, because they were genuinely concerned with my financial well being. I really do not believe there is any other better than USAA."

### **Actual or Suspected Fraud Calls**

"USAA Saved the day. Someone tried to make a large purchase using my USAA credit card information. USAA called, questioned the purchase, canceled the charge, and gave me a new card to replace the compromised one. I really appreciate the diligence of the USAA. They saved me many hours of trying to erase a bogus charge."

"Stolen Credit Card Relief. USAA contacted me about unusual activity on my credit card...The transaction amounts were not incredibly large and I may not have noticed them until the end of the month. But after dealing with the USAA fraud department, they denied the transactions from the other countries, refunded the transactions which I had not made in the US and sent me my new credit card all within ONE WEEK. I know that USAA's fraud department is watching my back and will keep my interest in mind by preserving my time and financial livelihood. Thanks again for the watchful eye and incredibly fast and courteous service!"

"Superior Fraud Department. Minutes after I discovered my card was being declined by Netflix, I received a call from the USAA fraud Dept. I had logged onto my credit card account and found several unauthorized charges and was in the process of dialing USAA when the call came through. The representative we spoke with was very helpful and new cards are being sent. Thank you USAA for watching out for us!"

"Customer Service. When my husband was deployed, his debit card number was compromised... USAA immediately called me and asked if I had purchased a bunch of items online. I was not sure and they pinpointed every purchase to the dollar. I knew my husband didn't and USAA immediately sent it to the fraud department. Everything that was purchased was immediately reimbursed back to my account. I trust USAA and have transferred all my other bank accounts to USAA. There is no other bank that even compares to USAA!! I have many more stories but, this one is my best experience so far!"

"Great support. Recently was alerted by USAA Credit Card Fraud Dept. regarding fraudulent charges on my card. USAA caught the problem, stopped the card, replaced the card, and reimbursed the funds to my account. I was impressed and satisfied with the way it was handled. Especially at the fact that they called me to ask about the fraudulent charges. I really feel like USAA has got my back."

"Best credit card company EVER. I received a message from USAA to call to confirm a charge on my credit card. The representative that I talked to was extremely pleasant and eased my fears of more fraud. Within 1 week the fraud charges were removed. I don't know how long it would have taken me to realize the fraud had USAA not called me the day the charges were made. I will never bank anywhere else!"

"USAA Mastercard - Best Card Ever. ...But the best ever service is that they call me when a suspect item is charged to my account. Sometimes I have been traveling and used my card; sometimes I charge a gift at an unusual store; and USAA follows up to see if it is truly me. I appreciate this. Just recently someone did use my card fraudulently. USAA called me within 48 hours and worked with me to clear up this issue and re-issue me a new card. Thanks for the "peace of mind" USAA!"

"In both cases, I had no idea there was a problem. USAA detected the problem and notified me. It is good to know that this bank is so vigilant and responsible. In my 35 years as a USAA customer, they have always been thoroughly professional, and their telephone personnel are a model of clarity and responsiveness."

"All I can say is WOW!. My husband travels a lot for business and uses his AMEX card. While on his last trip his number was hijacked, numerous charges were made. USAA called US about the unusual activity and I was able to determine, online, which charges were bogus. USAA immediately cancelled the card, flagged the charges, and sent us new cards. After they reviewed the bogus charges, those charges were removed from our account. Thank you USAA and the friendly, helpful associates that came to our aide. Yes, we recommend USAA!"

"Credit Card Theft. Shortly after the holidays, you guys detected unusual activity on my credit card account. You immediately emailed me and called me almost as soon as the several charges were made. I immediately went on line and confirmed that those charges were unauthorized. That card was suspended and a new one FedExed to me. You investigated and quickly reversed the charges. I can't thank you enough for your diligent and rapid service!! You guys are great!!"

"Look Ma No Hands. I got a call the other day that there was an out of state (way out of state) purchase using my debit card for DDD+ dollars. USAA said it looked funny and wanted to make sure I had authorized the purchase. It wasn't me, so they said my card had been compromised and cancelled the card and fedexed me another one in a couple of days. They called me!! Someone was keeping an eye on my purchases. I love how someone is keeping track of any fraudulent activity on my account. Completely hands free. Thanks!!"

"They called me when 3 charges were charged against my account, the same day. They cancelled my debit card on the spot, put in a fraud claim and are sending me a new debit card. Thanks again, USAA."

"Stolen Debit Card. I am very happy with USAA. They called me as soon as they saw fraudulent activity on my debit card and it was stopped immediately. Thank you USAA."

"Thanks USAA for Fraud Alert. My debit card was somehow copied and a fake card was created. Unknown to me, the card was taken all over town and charged. USAA immediately called me to let me know they froze my account and shipped me a new card right away. No one likes to be stolen from and USAA was proactive in getting this matter settled in a timely manner. It took 3 days to get the charges credited to my account and my new card back in action.\ Thanks USAA!"

"Best Customer Service. Recently had my credit card # hijacked, and received a call from USAA asking about some purchases. Needless to say USAA caught it before it got out of control. Everything was taken care of very quickly and very professional. Hats off to the great folks at Customer Service and the Fraud Dept! Thank You Thank You Thank You!!"

"I have been a USAA member for 8 years. I am frequently away from my duty station, and was pleasantly surprised when a representative called me in Landstuhl, Germany confirming with me that I was still

overseas, and that I had only 1 debit card. My answer of course was yes. She told me that my debit card was just ran in Newark, NJ. She took action immediately to fix the issue. My new debit card arrived in about 5 days. I was grateful, and happy to be without a debit card for 5 days, rather than be cold broke."

"They watch out for you!!!!!! I checked my account on a Wednesday and everything was ok. Two days later on Friday, USAA put a hold on my account and funds because they noticed fraudulent activity here in the US and in Canada. They called me that morning to notify me what they saw, verified charges and information, and within 1 week all the money fraudulently charged to my account was refunded. I hope to never be put in this situation again in my life because it's horrible to see hundreds of dollars be stolen from you in this way. If there would be one reason I stay with USAA forever it would be this one moment. To know that they are out there watching your accounts, especially because we all know we cannot check our accounts everyday. Thank you USAA."

"Best feature? Last month, ON A WEEKEND, USAA identified someone trying to use my Debit Card Number (they guessed it) in Chicago. Within hours of someone charging a meal at a fast-food restaurant and a tank of gas, they called me and, after finding that the charges were fraudulent, canceled the card, credited my account for those charges, and sent me a new card. I'm a customer for life!"

"Plus when someone stole my debit card information, USAA called me immediately to confirm the questionable transactions. USAA customer service is #1 for a reason."

"USAA is the best... A few years ago USAA proactively called me concerned about someone trying to purchase a big screen TV in a different state with my card number. They stopped the purchase and issued me a new card, rolled over all my charges and made everything as simple as possible. USAA rocks and its no wonder they get rated the top company for customer care as they are second to none."

"But, here is my story about my card: I got a call early one morning (it woke me up) from USAA asking if I had just tried to make a \$DDDD purchase. I had not and was very confused and nervous. The USAA rep responded, "We have refused the purchase, cancelled your card and a new card has been issued." I asked how they knew it was not a legitimate purchase, "it was based on your purchase history." I still had the card in my purse. Someone had gotten the number and tried to use my card. I can't express how grateful I was to USAA. There was nothing for me to do but tear up the old card. Thank you, USAA, for providing great service."